

HOUSE BILL REPORT

HB 2535

As Reported by House Committee On:
Economic Development, Agriculture & Trade

Title: An act relating to allowing public facilities districts to finance remodeling or reconstruction of existing minor league baseball stadiums and related parking facilities.

Brief Description: Allowing public facilities districts to finance remodeling or reconstruction of existing minor league baseball stadiums and related parking facilities.

Sponsors: Representatives Darneille, Green, Roberts and Conway.

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 1/25/06, 2/1/06 [DP].

Brief Summary of Bill

- Authorizes a city formed public facilities district (PFD) to acquire, own, remodel, maintain, equip, reequip, repair, finance, and operate an existing minor league baseball stadium.
- Authorizes a city PFD to impose an admission tax, vehicle parking tax and a sales and use tax to remodel or repair an existing minor league baseball stadium so long as work commences prior to January 1, 2008.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: Do pass. Signed by 15 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Bailey, Blake, Chase, Clibborn, Dunn, Grant, Haler, McCoy, Morrell, Newhouse, Quall, Strow and Wallace.

Minority Report: Do not pass. Signed by 7 members: Representatives Kristiansen, Ranking Minority Member; Appleton, Buri, Holmquist, Kilmer, Kretz and P. Sullivan.

Staff: Tracey Taylor (786-7196).

Background:

A public facilities district (PFD) may be created upon adoption of a resolution by the legislative authority in which the proposed district is located. A PFD is a municipal corporation, and independent taxing authority within the meaning of Article VII, Section 1 of the State Constitution, and a taxing district within the meaning of Article VII, Section 2 of the

State Constitution. A PFD is a body corporate and possesses all the usual powers of a corporation for public purposes or specially conferred by statute.

A PFD is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities or regional centers, together with contiguous parking facilities. In addition to existing authorities, public facilities districts formed after January 1, 2000, may acquire, construct, maintain, and operate recreation facilities other than ski areas.

The districts formed prior to 2002 may impose a 0.033 percent sales tax that is deducted from the state sales tax and is not an increase to taxpayers. A PFD also may levy a 0.2 percent sales tax and a 2 percent lodging tax if approved by a majority of voters in the district. A PFD may also levy an admission charge, not to exceed 1 cent for every 20 cents charged for admission. An admission charge includes charges made for season tickets or subscriptions, a cover charge, food and beverage charges, rental or use charges for the equipment and/or facilities, and an automobile charge based on the number of passengers in the vehicle. A PFD may also impose parking charges.

Summary of Bill:

In addition to the regional centers and special events centers, public facilities districts created by a city are authorized to own, remodel, maintain, equip, reequip, repair, finance and operate existing minor league baseball stadiums. The minor league baseball stadium must exist and be in use on the effective date of the act, and a minor league baseball team affiliated with a major league baseball club has utilized the stadium for at least a portion of the past two years. The PFD's board of directors may impose charges or fees for the use of the facilities, admission charges, vehicle parking charges, and sales and use taxes. The board may also accept and use gifts, grants, and donations. The admissions tax may not exceed 1 cent on every 20 cents paid by a person for admission to the minor league baseball stadium. A parking charge of up to 10 percent is authorized. A sales and use tax may be imposed by a PFD for the remodel or reconstruction of an existing minor league baseball stadium and related parking facilities, so long as the work commences prior to January 1, 2008. The tax may be imposed for a period of up to 10 years in order to retire bonds used to finance the remodel or reconstruction.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: There are five minor league baseball stadiums in Washington, and they are crumbling. We need to find a way to address their capital needs. Minor league baseball

provides good family fun at an affordable price as well as many family wage jobs in the communities. The stadiums are not just used for baseball, but provide a venue for all sorts of community activities. These venues are publicly owned, and the teams and cities and counties have put a great deal of money into trying to maintain the facilities; however, the local governments cannot continue to do it on their own. This bill would provide the local governments with additional tools to fix the stadiums and keep the teams in the community to continue to provide family fun.

Testimony Against: None.

Persons Testifying: Representative Darneille, prime sponsor; Randall Lewis, City of Tacoma; and K.L. Wombacher, Yakima Bears Baseball.

Persons Signed In To Testify But Not Testifying: None.